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C O N F I D E N T I A L SECTION 01 OF 05 TOKYO 003435

#### SIPDIS

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TAGS: PREL PGOV JA

SUBJECT: DPJ SECURITY POLICY STILL MUDDLED, AS ELECTION

APPROACHES

REF: A. 07 TOKYO 3102 <u>¶</u>B. TOKYO 3387

Classified By: Ambassador J. Thomas Schieffer, reasons 1.4(b),(d).

11. (C) Summary. The possible shift from an LDP-led administration to one led by the DPJ has potentially serious implications for Japan's security policy, as well as for the future direction of the U.S.-Japan alliance. The leading opposition party has opposed the war in Iraq and used its majority in the Upper House to slow the passage of legislation authorizing anti-terror refueling support in the Indian Ocean. Campaign literature outlines the need to obtain a UN mandate for all security-related deployments overseas. Party leaders routinely castigate U.S. policies and call for a more equal security alliance. With an ideological range that runs from left to right and little cohesion between the party's assembly of former ruling LDP members and refugees from several small defunct parties, the DPJ has done little to lay out a clear framework for foreign policy decision-making. In advance of Lower House elections sometime next year, the party has mostly deferred to its leader, Ichiro Ozawa, to set the parameters for the debate, but he has been much more focused on the elections than on what comes next. Ultimately, the contours of DPJ security policy in the event it wins a majority may depend most on the ability of the leadership to maintain a sense of unity and cohesion among members at the two ends of the political spectrum. Whatever happens, it is clear at this point, based on numerous conversations with DPJ Diet members, that a new government will continue to maintain a strong alliance relationship with the United States, but will likely oppose the OEF refueling mission and certain aspects of U.S. force realignment. End Summary.

## DPJ Poised to Take Power

12. (C) For the first time in its history, the ruling Liberal Democratic Party (LDP) faces the very real possibility that it will emerge from the next Lower House election as the second-largest political party in the Diet, behind the Democratic Party of Japan (DPJ). If polling is any guide, the DPJ could take an outright majority, if not merely a plurality of the 480 seats. The LDP has held power, either alone or in coalition, for most of the last 50 years,

ensuring a fair degree of continuity in Japan's foreign policy. The current Lower House term ends on September 10 and the Prime Minister must call an election by no later than that date (with an automatic extension into October if the Diet is in session). Embassy contacts are nearly unanimous that the most likely time frames for an earlier snap election are January/February or April/May. The LDP has been girding itself to lose seats in the next Lower House race ever since its landslide victory under Prime Minister Junichiro Koizumi in the ""postal privatization"" election of 2005. The outlook has become steadily worse through the subsequent administrations of Prime Ministers Shinzo Abe, Yasuo Fukuda, and Taro Aso. Even some senior LDP members, such as former Secretary General Koichi Kato, believe the clock may have run out on the LDP. He told the Embassy recently that the LDP has lost the meaning of its existence, which was to stop the spread of communism and grow the economy.

13. (C) Should power shift to the DPJ in the next election, security policy is likely to be less predictable than it has been for most of the last half-century under a steady stream of LDP governments, according to a wide range of Embassy contacts and other political observers. Lower House Vice Speaker Takahiro Yokomichi, a former Socialist Party member, told the Embassy recently that the DPJ has a ""100-day plan in three steps" for the transition. He notes, however, that because the focus will be mostly on domestic issues in the early stages of a DPJ administration, there are not likely to be many immediate changes to foreign or security policy.

#### Diversity Hinders Unified Policy

- $\P4$ . (C) The DPJ, founded in 1998, is an amalgam of lawmakers who have migrated from other parties over the past ten years, supplemented by a relatively young cadre of members who entered national politics for the first time on the party's own ticket (Ref A). The leadership, starting with the three top executives, Chief Representative Ichiro Ozawa, Secretary General Yukio Hatoyama, and President Naoto Kan, is drawn almost entirely from the first category. Those three, along with fellow transplants Seiji Maehara, Katsuya Okada, and Yoshihiko Noda, form the axis for six of the eight main groups that comprise the DPJ. All but Noda have served as party leader at one time, and all six are cited frequently by Embassy contacts and the media as the most likely successors to Ozawa in the future. Most of their followers trace their lineage to the LDP, the Liberal Party, Sakigake, or the New Frontier Party. Remnants of the now-defunct Socialist Party (SP) and Democratic Socialist Party (DSP) comprise the remaining two groups, and help extend the ideological parameters of the party from far-left to far-right.
- $\underline{\mathbf{1}}$ 5. (C) Policy differences among the groups clustered around the ideological center of the DPJ can indeed be vague and difficult to articulate. Generally speaking, the Hatoyama, Maehara, Noda, and former DSP groups tend mostly toward the conservative side of the spectrum, particularly on security policy, meaning they are supportive of the U.S.-Japan security alliance, take a firm position with regard to China and the DPRK, and are comfortable with the idea of lifting some of the constitutional constraints that prevent Japan from playing a more active role overseas. The Kan, Okada, and former SP groups generally take a more dovish stance, placing greater emphasis on relations with Asian neighbors and looking for ways to take on a more substantive international role outside of the Alliance and within the existing constraints. While many in the latter category are still supportive of the alliance at some level, they tend to favor a more equal partnership and can often be quite critical of U.S. foreign policy. Ozawa's group is probably the most diverse ideologically, followed by Okada's, and is therefore more difficult to categorize.
- 16. (C) Some academics have argued that while the DPJ membership itself has become more conservative over the years, in keeping with the general decline of the left in Japanese politics, the party has actually moved further to

the left ideologically as a means of distinguishing itself from the LDP. A primary focus of the DPJ's attacks on the LDP over security policy for the past two years has been Japan's refueling mission in the Indian Ocean in support of Operation Enduring Freedom (OEF). Internal DPJ debates over the constitutionality of the mission in the absence of a UN mandate and the best role for Japan to play in assisting Afghanistan have threatened at times to split the party along ideological lines. Ozawa was criticized heavily by both wings of his party in 2007 for suggesting that it might be more appropriate to send ground forces than to provide maritime refueling support, and quickly drew back to his original position that the SDF cannot be legally deployed overseas without UN mandate. Maehara sided with Ozawa in opposing SDF deployments to Iraq, but opposed him strenuously on the OEF deployment. The party remains divided over whether the current OEF refueling mission, which was just extended for another year on December 12, violates the constitution or not, but critics of the official line have maintained discipline to avoid airing the party's dirty laundry before an election. DPJ Lower House member Mitsuo Mitani cautioned the Embassy recently against reading too much into the Diet debates, noting that ""it is easier to oppose government bills related to foreign policy.'

 $\P$ 7. (C) Ozawa is widely acknowledged as the key to holding the party together, but there is no unanimity as to what will happen if the party gains power, or if Ozawa steps down. Some contacts conjecture that the DPJ will implode within some relatively brief period of time, leading either to a return of the LDP or some sort of political realignment. A few Embassy contacts have even posited the theory that the former Socialist Party elements within the DPJ might seek to take advantage of the political capital they have earned over the past several years for keeping a low profile by claiming the spoils of an electoral victory. DPJ Lower House member Keiro Kitagami told the Embassy recently, however, that ""the DPJ is currently more unified than the LDP, because the DPJ is close to achieving its goal." Some DPJ lawmakers, including Maehara, have registered their disappointment that Ozawa ran unopposed in the party's September 2008 leadership race, eliminating the possibility of open debate. Discontent remains, Kitagami acknowledged, but the members are committed to staying with Ozawa, at least until the election.

## Manifesto Provides Basic Policy Plank

- <u>¶</u>8. (C) The DPJ Manifesto, revised for the 2007 Upper House election, provides a quick snapshot of what might be expected from a future DPJ administration, although deep divisions remain over even some of the party's most fundamental policies. The Manifesto lists ""Seven Proposals,"" the last of which is ""to build proactive foreign relations."" The term proactive, according to DPJ contacts, is intended to signify a shift away from the ""reactive"" policies of the LDP, bred of an over-dependence on the United States. As DPJ International Bureau head Tetsundo Iwakuni told the DCM recently, ""the United States takes for granted that Japan will always say 'yes' when asked for something."" Specific goals listed under the heading ""Foreign Affairs and Defense"" include the immediate withdrawal of the SDF from Iraq (already overtaken by events), increased public engagement in U.S. force realignment, proactive diplomacy toward the DPRK, and a more Asia-centered foreign policy. Not clearly outlined in the Manifesto, but mentioned often by Embassy DPJ contacts, is a plan to dispatch 100 lawmakers and some unspecified number of political appointees to the various ministries to exert control over the bureaucrats, a proposal with potentially serious repercussions for policy formulation and implementation.
- 19. (C) In the broadest context, the DPJ promises in its Manifesto ""to re-examine the role of the U.S. military in the security of the Asia-Pacific region and the significance of U.S. military bases in Japan...from the perspective of taxpayers and in consideration of the principle of civilian control and the need to reduce the burden on specific regions

and communities."" At the same time, the party pledges ""to make the greatest possible effort to develop relations of mutual trust...and to strengthen the bonds of solidarity with Asian countries within the framework of the international community."" Current plans for U.S. force realignment are criticized for the ""massive costs" imposed on Japan based solely on agreements between the two governments, without regard to the understanding of the affected communities.
""Unresolved problems" include total costs of the realignment and the use of subsidies to obtain buy-in at the local level.

110. (C) The Manifesto also blasts Japan for supporting the war in Iraq based on ""arbitrary and inaccurate information,"" and calls for a full accounting before Japan considers how to assist in Iraqi reconstruction ""within the framework of international cooperation."" The document notes the importance of retaining sanctions on the DPRK and describes resolution of the abductions issue ""essential."" DPJ Lower House member Hiroshi Nakai has clarified for the Embassy that the DPJ is currently studying ways to impose additional sanctions against the DPRK, but is not considering any sort of independent designation of North Korea as a terrorist state. He was not certain that Japan would remain in the Six-Party Talks under a DPJ-led government.

# Ozawa's Policy is the DPJ's Policy, for Now

- 111. (C) For now, understanding Ozawa may be the key to divining the direction of security policy under a future DPJ administration, assuming he is willing and able to take on the post of Prime Minister, or continues to wield power behind the scenes. Ozawa has argued for greater ""autonomy"" within the U.S.-Japan security alliance, particularly with regard to decision-making. In the past, he has expressed support for close consultations, but he has also accused the LDP of failing to consider Japan's national interests when pressured by the United States. Lately, his rhetoric has become more stridently anti-U.S., a move intended solely to position the DPJ for the looming Lower House elections, DPJ contacts tell the Embassy. He continues to argue for wrapping the national security of Japan in the broad mantle of the UN, and limiting Japan's overseas activities to those covered by a UN mandate. He has stated his opposition to revising the current interpretation of the Constitution to allow Japan to exercise the right of collective self-defense, although other voices within the DPJ support constitutional revision of some kind.
- Unfortunately, some Embassy DPJ contacts admit that Ozawa has grown increasingly difficult to read in recent years, isolating himself from daily contact with party lawmakers and relying more and more on a very small inner circle of advisors. A number of Embassy contacts, citing Ozawa's strong support for the Alliance during his years as an LDP power broker, question whether his current positions on security issues represent a true change in thinking, or are merely a matter of political expediency for tactical advantage. Countless DPJ lawmakers and staffers have assured the Embassy and official visitors from Washington over the past year that Ozawa has not really changed his stripes, but is focused on achieving a change in government at any price. In response to those who question his intellectual integrity for straying so seemingly far from the rather more hawkish and nationalist positions laid down in his LDP days, or in his 1993 book, ""Blueprint for a New Japan,"" Ozawa supporters assert that his view of Japan as a more ""normal country"" has always presumed a more equal partnership with the United States.
- 13. (C) Known as ""the Destroyer"" for his pivotal role in the creation and subsequent break-up of a number of small political parties on his journey from the LDP to the DPJ, Ozawa helped form the first non-LDP administration in 1993 before leaving the party. Many Embassy contacts have cited his decision to forgo the top job at that time as evidence that he prefers to wield power behind the scenes. His health

also continues to be a cause of concern, with some DPJ members hinting to the Embassy that his heart condition could actually limit his ability to lead. The Embassy has heard from numerous sources that Ozawa has had to make serious adjustments to his daily schedule and diet, and a recent article in one of Japan's weekly magazines noted his frequent absences from the Lower House during afternoon deliberations. Allegations of financial scandals involving his sizeable real estate holdings are often mentioned by the press as another possible roadblock to his election as Prime Minister.

## Successors Waiting in the Wings

- 114. (C) DPJ contacts stress that Okada, DPJ leader during the party's lop-sided loss in the ""postal privatization"" election of 2005, has worked hard to repair his image as a leader by staying above the fray of internal party politics. Young and telegenic by comparison to Ozawa, he is seen as a bridge-builder within the party, and the only potential leader who can fill Ozawa's role of keeping the peace between the ideological wings of the party. The relatively dovish Okada has faulted the LDP for relying on ""a very small number of Japan experts" in managing relations, and recently traveled to the United States to lay the groundwork for broader exchanges with the incoming U.S. administration. Returning from his trip, Okada has proposed playing a ""mediating role"" in negotiating with the Taliban, in lieu of dispatching the SDF.
- 115. (C) The generally more conservative Hatoyama has also criticized the LDP for being ""overly dependent on the United States," asserting that a DPJ administration ""will strike the right balance" in relations with the United States and with Asian neighbors, ""but with slightly more emphasis on the latter." Speaking to the Embassy recently, he claimed there is little difference between the LDP and DPJ on foreign policy. Like the LDP, he said, ""the DPJ positions the U.S.-Japan alliance as the axis of its foreign policy."" He acknowledged, however, that a review of U.S. force realignment will be the first security issue that the DPJ will deal with once it gains power. What the DPJ wants to do, he continued, is ""to build equal relations with the United States in which Japan can say what it wants to say as a friend."" He cited Germany and its disagreement with the United States over the war in Iraq as an example. While Hatoyama believes it is important to focus on UN-based civilian cooperation, and has pledged publicly ""to place UN decisions ahead of U.S. decisions," he has told the Embassy that he regards a totally UN-centered approach as ""too much.""
- $\underline{\mathbf{1}}$ 16. (C) Maehara, regarded as one of the more hawkish lawmakers in the DPJ, told the Embassy recently he views the bilateral alliance as a ""public asset"" for Japan and the region and as the ""underlying framework"" of DPJ security policy. That doesn't mean he is entirely supportive of existing U.S. policies. He has defined the first order of business for a new DPJ government as reviewing the OEF refueling mission and elements of U.S. force realignment -halting the former, in favor of some other form of contribution to Afghanistan, and looking for alternatives that would be more ""acceptable to the people of Okinawa"" for the latter. At the same time, Maehara has called openly for increasing Japan's defense capabilities to protect national interests and safeguard the sea lanes, amending the Constitution to allow Japan to exercise the right to collective self-defense, and taking a harsher stance against China and the DPRK. He has also promoted the view that Japan needs to make its own efforts to improve relations with China and the DPRK outside of the alliance, while still preserving capabilities for deterrence. Notably, Maehara recently expressed concern to the Embassy about the ideological divide within his party, warning that should current shadow foreign minister (and former Socialist Party member) Yoshio Hachiro actually become foreign minister in a DPJ government, Japan's foreign policy and security framework ""would cease to

function"" (Ref B).
ZUMWALT